

Assembly Constitutional Amendment

No. 12

Introduced by Assembly Member Mullin

April 18, 2016

Assembly Constitutional Amendment No. 12—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending subdivision (a) of Section 2 of Article XIII A thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

ACA 12, as introduced, Mullin. Property taxation: base year value transfers.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to provide that a severely disabled person and a person over 55 years of age may, subject to certain conditions, transfer the base year value, as defined, of property that is eligible for the homeowners’ property tax exemption to a replacement dwelling that is of equal or lesser value, located within the same county as the property from which the base year value is transferred, and purchased or newly constructed within 2 years of the sale of the original property.

This measure would additionally authorize the Legislature to provide for the transfer of base year value to a replacement dwelling that is purchased or newly constructed on or after the effective date of this

measure that is of greater value, and would require the base year value of the replacement dwelling to be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement dwelling to the base year value of the original property. The measure would also make various technical changes.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2015–16 Regular
3 Session commencing on the first day of December 2014, two-thirds
4 of the membership of each house concurring, hereby proposes to
5 the people of the State of California, that the Constitution of the
6 State be amended as follows:

7 That subdivision (a) of Section 2 of Article XIII A thereof is
8 amended to read:

9 (a) (1) The “full cash value” means the county assessor’s
10 valuation of real property as shown on the 1975–76 tax bill under
11 “full cash value” or, thereafter, the appraised value of real property
12 when purchased, newly constructed, or a change in ownership has
13 occurred after the 1975 assessment. All real property not already
14 assessed up to the 1975–76 full cash value may be reassessed to
15 reflect that valuation. For purposes of this section, “newly
16 constructed” does not include real property that is reconstructed
17 after a disaster, as declared by the Governor, where the fair market
18 value of the real property, as reconstructed, is comparable to its
19 fair market value prior to the disaster. For purposes of this section,
20 the term “newly constructed” does not include that portion of an
21 existing structure that consists of the construction or reconstruction
22 of seismic retrofitting components, as defined by the Legislature.

23 ~~However,~~

24 (2) *However,* the Legislature may provide that, under appropriate
25 circumstances and pursuant to definitions and procedures
26 established by the Legislature, any person over ~~the age of~~ 55 years
27 of age who resides in property that is eligible for the homeowner’s
28 exemption under subdivision (k) of Section 3 of Article XIII and
29 any implementing legislation may transfer the base year value of
30 the property entitled to exemption, with the adjustments authorized
31 by subdivision (b), ~~to~~ *in both of the following circumstances:*

(A) *To any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of this section, “any person over the age of 55 years” includes a married couple one member of which is over the age of 55 years. For purposes of this section, “replacement dwelling” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. This paragraph shall apply.* This subparagraph applies to any replacement dwelling that was purchased or newly constructed on or after November 5, 1986.

(B) *To any replacement dwelling of greater value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this subparagraph. The base year value of the replacement dwelling shall be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement dwelling to the base year value of the original property.*

¶

(3) *In addition, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county’s boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within this State. For purposes of this paragraph, “local affected agency” means any city, special district, school district, or community college district that receives an annual property tax revenue allocation. This paragraph applies to any replacement dwelling that was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but does not apply to any replacement dwelling that was purchased or newly constructed before November 9, 1988.*

1 ~~The~~

2 (4) *The* Legislature may extend the provisions of this subdivision
3 relating to the transfer of base year values from original properties
4 to replacement dwellings of homeowners over ~~the age of~~ 55 years
5 *of age* to severely disabled homeowners, but only with respect to
6 those replacement dwellings purchased or newly constructed on
7 or after ~~the effective date of this paragraph.~~ June 6, 1990.

8 (5) *For purposes of this section, the following shall apply:*

9 (A) *“Any person over 55 years of age” includes a married*
10 *couple one member of which is over 55 years of age.*

11 (B) *“Replacement dwelling” means a building, structure, or*
12 *other shelter constituting a place of abode, whether real property*
13 *or personal property, and any land on which it may be situated.*

14 (C) *A two-dwelling unit shall be considered as two separate*
15 *single-family dwellings.*